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ABSTRACT

Results of the fall 1982 survey of enrollments at private colleges and universities are presented, with attention also directed to the effect of the freshman enrollment decline on institutional finance, determinants of enrollment, and future enrollment expectations. Of the approximately 1,500 independent colleges, almost 1,200 institutions responded. Survey findings include the following: overall enrollment declined in private colleges for the first time since 1971; the number of full-time entering freshmen declined by more than 4 percent; almost two-thirds of the institutions reported declines in their freshman class; current losses of more than 17,000 entering students will mean loss of more than a quarter of a billion dollars in tuition revenues during the next 4 years; the Mid-Atlantic and Midwestern states reported the largest losses; enrollment declines were greatest in economically depressed states; the magnitude of headcount enrollment declines seems not to be dictated by tuition level; and private college enrollment figures suggest a shift from full-time to part-time status as a means of reducing costs. Economic recession and cuts in federal student financial aid are identified as two major factors that contributed to enrollment declines in fall 1982. Definitions of institutional categories and findings by region, type, and size are appended. (SW)

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DIMINISHED ACCESS:

FALL 1982 ENROLLMENT AT INDEPENDENT COLLEGES AND UNIVERSITIES

by

Julianne Still Thrift

and

Christopher Toppe

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ACKNOWLEDGEMENTS

This is the sixth annual survey of fall enrollments in independent colleges and universities. The environment surrounding independent higher education and influencing enrollments has changed markedly since the first survey was conducted in 1977. All previous surveys reported enrollment increases, with notable differences in growth rates among types of institutions. Last fall NIICU had the difficult task of reporting the first indication of enrollment decline: losses in entering full-time freshmen amounted to slightly more than one percent.

Fall 1982 ushered in more dramatic changes. The magnitude of the enrollment declines and the shape of the differences among regions and types of institutions have alarmed leaders in the independent sector. This study outlines those changes and opens discussion of the implications of this year's enrollment shifts on the condition of American higher education.

We are thankful for our colleges' excellent response to the survey and for the diligent follow-up efforts made by the association executives in individual states. Without the support of the Prudential Foundation and the wise counsel of Alex Plinio, we would not have been able to explore new determinants of enrollment and begin relating a variety of environmental factors to enrollment trends.

We also wish to express our appreciation to Gerald Harrington and Carla Mortensen for their assistance in data editing and evaluation, to Bob Rourke for developing the graphs, and to Marcia Brooks for typing the several drafts of this monograph.

Only with the help of these and other colleagues were we able to produce this short monograph. Still, we acknowledge that any errors or omissions are our own.

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Executive Director

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FALL 1982 ENROLLMENT AT INDEPENDENT COLLEGES AND UNIVERSITIES

Uncertainties about the federal commitment to student financial aid, poor general economic conditions, and a small demographic decline all contributed this year to a drop in entering full-time freshmen at the nation's independent colleges and universities. This decline, which averaged more than 4 percent nationally, affected colleges of various types and sizes in all regions of the country. It is cause for great concern because entering full-time freshmen drive the future enrollments of these colleges.

The National Institute of Independent Colleges and Universities (NIICU) conducted this sixth annual survey of fall enrollment to provide timely and accurate information for executive officers of our colleges and universities and for policy makers at the state and national levels. All of the approximately 1,500 independent institutions were surveyed and almost 1,200 institutions, representing 85 percent of all students, responded. (A full technical appendix is available from NIICU.)

SUMMARY OF FINDINGS

- Overall enrollment declined in independent colleges and universities for the first time since 1971 when the Vietnam War draft deferments ended for college students. This decline defies federal government projections of enrollment increases in private colleges.

- The number of full-time entering freshmen declined by more than 4 percent. This loss of entering students exceeded the decline in the college-age population for the first time since the last of the baby-boom cohort reached eighteen.

- Almost two-thirds of the institutions reported declines in their freshman class, with one in three institutions reporting declines exceeding 10 percent, and almost one in six suffering losses of 20 percent or more.

- Even if next fall's freshmen enrollments increase to regain current losses of more than 17,000 entering students, the nation's independent colleges will lose more than a quarter of a billion dollars in tuition revenues during the next four years.

- There were great differences among geographic regions and types of institutions. Among types of colleges, the comprehensive colleges and the liberal arts II colleges (See Appendix A) were hardest hit. More than 70 percent

of the comprehensive colleges lost undergraduate headcount enrollment and 41.6 percent of the liberal arts II colleges lost more than a tenth of their full-time entering freshmen. All regions lost full-time freshmen, with the Mid-Atlantic and Midwestern states reporting largest losses (See Appendix B).

- Enrollment declines were greatest in economically depressed states.

- The magnitude of total headcount enrollment decline does not appear to be dictated by the level of tuition. Moderately priced institutions ($4,000-$6,000 tuition) lost somewhat greater percentages than institutions with tuitions less than $4,000; they lost much larger percentages proportionately than institutions with tuitions higher than $6,000.

- Independent institutions lost almost 21,000 full-time undergraduates. A reported increase of almost 9,000 part-time undergraduates indicates that students may be shifting from full-time to part-time status as a means of reducing costs.

DETAILED FINDINGS

Entering Freshman Enrollments Tumble

Almost two-thirds of the nation's independent colleges lost enrollment in their most important group of students -- full-time first-time freshmen. Enrollment in this key category often foretells the future health of the institution because its effects on the institution's income will remain with the college for several years. This indicator is also the first factor to reflect changes in the institution's environment; it is the independent sector's seismometer.

Table 1 shows the percentage of independent institutions losing enrollment by the magnitude of the loss. The average decline was greatest among institutions in the Mid-Atlantic and Midwestern states where the percentage decline was 6.60 and 5.14 percent respectively.

Among types of institutions, only specialized colleges gained enrollment. (Since almost half of all specialized institutions are professional schools or enroll only graduate students and therefore have no entering freshmen, the number of institutions in this category is less than 200.) While all other types of institutions lost freshman enrollment, both comprehensive colleges and liberal arts II colleges lost large numbers of full-time entering freshmen. Nationally, independent colleges lost 17,500 entering freshmen; of this number, comprehensive colleges lost almost 10,000 freshmen and the liberal arts

TABLE 1

PERCENTAGE OF INSTITUTIONS LOSING ENROLLMENT

OF FULL-TIME ENTERING FRESHMEN

FALL 1981 TO FALL 1982

	AVERAGE % CHANGE	-----PERCENT OF INSTITUTIONS BY MAGNITUDE OF LOSS------ Over 20%	15% to 20%	10% to 15%	5% to 10%	Up to 5%	PERCENT DECLINING
NATIONAL	-4.11%	14.80%	9.14%	10.63%	15.19%	13.90%	63.66%
MID-WEST	-5.14	14.65	12.09	8.42	17.95	10.62	63.73
MID-ATLANTIC	-6.60	15.19	10.13	11.81	16.03	16.46	69.62
NORTH-EAST	-3.34	14.72	7.61	11.68	12.69	15.23	61.93
SOUTH	-1.80	15.46	7.73	10.14	14.98	14.01	62.32
WEST	-1.69	12.90	4.30	12.90	10.75	13.98	54.83
UNIVERSITIES	-2.77	1.89	1.89	7.55	16.98	33.96	62.27
COMPREHENSIVE COLLEGES	-6.68	13.49	7.91	13.49	22.79	20.47	78.15
LIBERAL ARTS I	-2.66	10.91	10.00	9.09	10.91	16.36	57.27
LIBERAL ARTS II	-5.82	17.01	12.32	12.32	14.96	8.50	65.11
TWO-YEAR	-0.65	12.69	6.72	7.46	11.19	12.69	50.75
SPECIALIZED	1.54	20.78	7.79	7.79	11.04	9.09	56.49

NOTE: Details may not add due to rounding.

II colleges (see Appendix A) lost almost 5,000. The average entering class in comprehensive colleges dropped 6.68 percent and the freshman class in liberal arts II colleges dropped 5.82 percent.

Independent universities averaged losses of 2.77 percent, but the dispersion of the losses was much more clustered around the average than in other types of institutions. Only 1.89 percent of all universities, compared with 15.62 percent of other types of institutions, lost 20 percent or more of their full-time entering class.

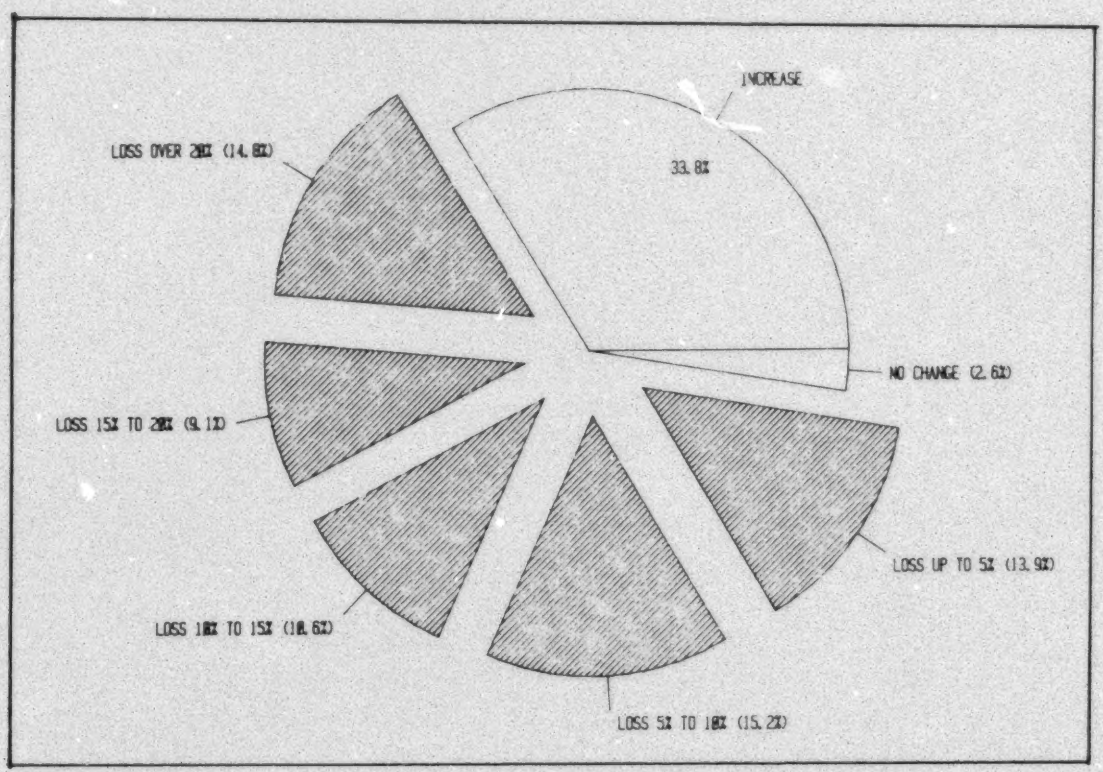
The shape of the loss and the impact on individual institutions can be understood more fully when the distribution of the loss is examined. One would expect the great majority of institutions to remain in a relatively "steady-state" situation in which few schools gain or lose large portions of their typical entering class. In the fall of 1982, the story was quite different. Only a quarter of all independent institutions (26.51 percent) maintained relatively stable enrollments, defined as gaining or losing less than 5 percent. Almost 15 percent of all independent institutions lost 20 percent or more of their entering full-time freshmen, more than a third lost more than 10 percent, and half lost 5 percent or more. This situation is displayed graphically in Figure 1.

FIGURE I

DISTRIBUTION OF INDEPENDENT INSTITUTIONS BY MAGNITUDE OF

CHANGE IN FULL-TIME ENTERING FRESHMEN

FALL 1981 TO FALL 1982



In contrast, only one-third of all institutions increased their enrollment of full-time entering freshmen. Even within this group there was considerable variation. One-fifth of all institutions gained 10 percent or more, and close to a tenth (8.24 percent) gained more than 20 percent.

Regionally, the enrollment levels for full-time first-time freshmen were especially volatile in the Southern and Midwestern states where fully a quarter of all colleges and universities either gained or lost 20 percent of their entering class. Less than a fifth (18.36 and 15.75 percent respectively) of the institutions in these regions retained the steady-state status described on page 3.

Moderately-priced colleges and universities lost the largest portions of entering freshmen. Institutions with tuitions between

$4,000 and $5,000 reported losses of more than 7 percent of the entering freshmen, while institutions priced under $4,000 lost less than 4 percent. Higher-priced institutions (tuitions of $5,000 or more) lost even smaller percentages of their entering classes, with institutions priced between $5,000 and $6,000 losing 2.61 percent, and institutions priced at more than $6,000 losing 1.31 percent.

We must go beyond averages, as important as they are, in analyzing the returns. An average change of 4 percent could mean that all institutions changed 4 percent, or that a small number of very large institutions grew by large percentages and that small institutions experienced large losses. A thorough analysis must consider the dispersion of the responses.

This dispersion analysis of losses among institutions grouped by tuition category shows that enrollments in institutions with lower tuitions were more volatile. These colleges and universities with lower prices were most likely to gain or lose large percentages of their freshman classes. Colleges with higher tuitions tended to have the more stable entering freshmen enrollments. More than 30 percent of all colleges with tuitions below $3,000 either gained or lost more than one-fifth of their entering freshmen; a quarter of the colleges priced between $3,000 and $4,000 gained or lost 20 percent or more; 16.7 percent priced between $4,000 and $5,000 varied by 20 percent or more; and, only 6.43 percent priced above $5,000 varied by this amount.

Total Losses Of Undergraduates Modest

Losses among undergraduates were explained almost entirely by the losses in entering full-time freshmen. Of the approximately 21,000 full-time undergraduates lost by independent colleges and universities, almost 85 percent would have been entering freshmen. The "non-freshmen" loss was almost negligible at 0.3 percent. At the same time, the overall enrollment of part-time students was up by almost 9,000 students (2.79 percent), causing the total undergraduate headcount to show a decline of 11,652 students from last year's high of 1,865,919. Table 2 shows these changes.

As was observed in the analysis of entering freshmen, the degree of changes in total undergraduate enrollment varied widely among regions and types of institutions. While every region averaged losses in undergraduate full-time equivalency enrollment (calculated as one-third part-time headcount added to the full-time headcount to be consistent with the National Center for Education Statistics), each region also gained in enrollment of part-time students. A number of schools have reported a shift of previously full-time students to part-time status.

Because part-time students and full-time students count equally in the calculation of headcount data, the change in total undergraduate

TABLE 2

CHANGES IN UNDERGRADUATE ENROLLMENT CATEGORIES

FALL 1981 TO FALL 1982

	FALL 1981	FALL 1982	CHANGE	PERCENT CHANGE
Full-time, First-time Freshmen	424,819	407,370	-17,449	-4.11%
Non-Freshmen Full-time Undergraduates	1,126,872	1,123,460	-3,412	-0.31
All Full-time Undergraduates	1,551,691	1,530,830	-20,861	-1.34
Part-time Undergraduates	314,228	322,995	8,767	2.79
Undergraduate FTE (calculated)	1,656,434	1,638,495	-17,939	-1.08
All Undergraduates (headcount)	1,865,919	1,854,267	11,652	-0.62
NOTE: Details may not add due to rounding				

headcount figures are more modest. Regionally, the undergraduate changes vary from an increase of 0.07 percent in the Northeastern states to a decline of 1.66 percent in the Mid-Atlantic states.

An analysis of non-freshman undergraduates offers an enhanced understanding of an institution's ability to hold students. In spite of considerable losses in entering freshmen, institutions in the Northeastern and Mid-Atlantic states were less likely than institutions in other regions to lose large portions of non-freshmen. Even so, approximately one tenth of the colleges in these regions lost 10 percent of more of their non-freshmen. Conversely, in the West, 10 percent of the colleges lost one-fifth or more of their non-freshman undergraduates.

Changes in undergraduate headcount enrollment did not differ greatly among types of institutions. The comprehensive colleges lost the largest percentage (1.43 percent), and specialized colleges marked the largest gains (1.69 percent). All types of institutions gained part-time undergraduates, with comprehensive colleges gaining the smallest percentage (0.15 percent) and two-year colleges gaining the largest (8.50 percent). All types of four-year colleges and universities averaged losses in terms of full-time equivalent undergraduate enrollment, but two-year and specialized institutions marked modest gains (0.13 and 1.32 percent respectively).

In summary, total losses in undergraduates were driven primarily by losses in full-time entering freshmen. Non-freshman students seem to be staying in school, sometimes by shifting to part-time status. The shape of losses of non-freshmen among regions and types of colleges is not nearly as clear as the patterns in entering freshmen.

Enrollments Increase Slightly Among Professional Students; Decrease Slightly Among Graduate Students; and, Fall Among Unclassified Students

Professional enrollment increased slightly among the 20 percent of all independent colleges and universities that have professional programs. Overall, professional school enrollment constitutes about 5 percent of all students in the independent sector. So while professional enrollment is not a major segment of all independent higher education, it is important to those institutions offering such programs.

Nationally, professional enrollment increased just under 1 percent from fall 1981 to fall 1982. Each region of the country reported increases in professional enrollments except the Mid-Atlantic region, which declined slightly. Appendix C shows these changes.

Within the independent sector, professional students are clustered in universities, specialized institutions, and comprehensive colleges and universities. Enrollment of professional students at universities changed little (down 0.31 percent), while the enrollments in specialized and comprehensive institutions increased (1.45 percent and 1.85 percent respectively). Appendix C presents more detailed data.

As might be expected from the previous description of average change, more than half of the responding institutions reported increases in professional student enrollment. Nationally, about 18 percent of the institutions reported declines exceeding 5 percent compared to 25 percent reporting increases exceeding that level. This finding held for each region except the Mid-Atlantic, where about 20 percent of all institutions reported 5 percent or greater declines but, only 13 percent reported increases of 5 percent or more. By type of institution, the specialized colleges showed the greatest dispersion -- about 22 percent reported declines exceeding 5 percent, while more than 30 percent reported increases exceeding that level.

Graduate students comprise about 15 percent of all students attending independent colleges and universities. In terms of numbers of students, there are about as many graduate students (full and part-time) as there are full-time entering freshmen. Changes in graduate enrollment are therefore very important for the 40 percent of all independent institutions enrolling graduate students.

Nationally, graduate enrollment declined just under 1 percent, with only the Midwestern institutions reporting an increase. As might

be expected, almost half of all graduate students attend universities, with another third attending comprehensive institutions. Both types reported declines in graduate enrollment from fall 1981 to fall 1982. A loss exceeding 5 percent was reported by a third of all institutions enrolling graduate students.

The number of unclassified students enrolled in independent colleges and universities (full-time and part-time and undergraduate and graduate) fell by more than 4.21 percent nationally, the largest percentage decline of any of the enrollment types studied by NIICU this fall. The only region of the country reporting an increase in unclassified students was the South, where the number of unclassified students was up 2.71 percent. An examination of the enrollment of unclassified students by type of institution reveals that only the liberal arts II and two-year institutions marked increases in unclasssified students. A notable decline (9.02 percent) was reported by universities.

Regionally, "instability" best describes the change in unclassified students. Relatively few institutions maintained the steady-state enrollment previously defined as plus or minus 5 percent. More than 80 percent of all institutions changed by more than 5 percent, with an equal split between institutions reporting increases and decreases. There was more diversity among differing types of institutions than regions. Universities and comprehensive colleges had more institutions reporting declines exceeding 5 percent than reporting increases, while the liberal arts II colleges had the opposite pattern. The remaining types (liberal arts I, two-year, and specialized) split about equally between those with gains or losses exceeding 5 percent.

THE IMPACT OF ENROLLMENT DECLINE ON INSTITUTIONAL FINANCE

At those institutions which experienced an enrollment decline of 10 percent or more since the fall of 1981, a decrease of such magnitude has both immediate and long-term implications on the financial health of those institutions. This can be illustrated by examining the possible effects of a 10 percent decline on a small liberal arts college.

Approximately one fourth of all independent institutions are classified by the Carnegie Council on Policy Studies in Higher Education as liberal arts II colleges (See Appendix A). On the average, these colleges have an undergradute full-time equivalency enrollment of approximately seven hundred students, a quarter of whom are full-time entering freshmen. Among these institutions, 42 percent experienced a drop of 10 percent or more in entering full-time freshmen.

Even though many of these institutions have expanded their program offerings in the past few years to attract non-degree students, the majority of their students still enter as full-time freshmen. Enrollment at these colleges is clearly dependent on their ability to attract full-time freshmen.

Some colleges may be able to rebound in fall 1983 and regain a level of enrollment similiar to their level in 1981. However, even maintaining the existing smaller enrollment level and averting additional losses will be challenging because the number of eighteen-year-olds in the population, the typical freshman at these colleges, will plummet at a rate three times faster in the fall of 1983 and fall of 1984 than it did this fall.

Even for those colleges which avoid further losses and maintain the 1982 enrollment level over the next four years, the effects of that smaller freshman class will begin to ripple through the institution. During the first year of the 10 percent decline in entering students, a steady enrollment among non-freshmen may provide some cushion to the effects of the loss of tuition and fees revenue. It is as this reduced freshman class moves on to their sophomore and junior years that the overall enrollment of the institution will reflect a dramatically reduced level. Immediate revenue losses are felt not only in tuition and fees but also in room and board charges for students. Even after the average institutional scholarship is discounted, the loss to the typical institution is approximately $5,600 per student per year.

It is when these losses are reflected in a smaller total enrollment, not just in the freshman class, that this fall's loss of students and the resulting loss in revenues will have the greatest impact on institutional finances. A loss of 10 percent in tuition and fees revenues in a small liberal arts college is approximately equal to the total amounts spent on libraries, academic computing support, academic administration, and course and curriculum development combined.

REASONS FOR THE DECLINE--MYTHS AND REALITY

The magnitude of the loss of entering freshmen and the unclear shifts among non-freshmen suggest many questions. Because the loss among full-time freshmen greatly overshadowed other losses, the initial search for a logical explanation leads to an examination of the demographic decline in the birth cohort. If declines in entering students merely reflected the changes in the population of eighteen-year-olds, the loss would be understandable and rational. More importantly, the rate of future changes could be anticipated and planning would be straightforward. In examining the impact of demography on enrollments in the independent sector, both the population of eighteen-year-olds and the rate and number of high school graduates must be considered.

Table 3 shows the size of the eighteen-year-old population, the number of high school graduates, and the number of full-time entering

TABLE 3

COMPARISON OF 18 YEAR POPULATION, HIGH SCHOOL GRADUATES,

AND ACTUAL FRESHMAN ENROLLMENT

FALL 1978 TO FALL 1987

	Population Age 18	Percent Change	Public High School Graduates	Percent Change	Actual Freshmen Enrollment*	Percent Change
1978	4,228,000	-0.31%	2,833,353	-0.49%	415,597	
1979	4,291,000	+1.49	2,844,871	+0.41	427,146	+2.78%
1980	4,211,000	-1.86	2,790,136	-1.92	429,357	+0.52%
1981	4,145,000	-1.57	2,744,081	-1.65	424,819	-1.06%
1982	4,087,000	-1.40	2,712,160	-1.16	407,370	-4.11%
1983	3,917,000	-4.16	2,568,534	-5.30		
1984	3,703,000	-5.46	2,441,616	-4.94		
1985	3,604,000	-2.67	2,365,634	-3.11		
1986	3,521,000	-2.36	2,327,723	-1.63		
1987	3,567,000	+1.31	2,376,722	+2.11		

* Full-time, First-time Freshmen

SOURCE: Population, Age 18, from Charles J. Andersen, 1981-82 Fact Book for Academic Administrators, Washington, D.C: American Council on Education, 1981.

Public high school graduates from: High School Graduates: Projections for the Fifty States. The Western Interstate Commission for Higher Education, National Institute of Independent Colleges, and Teachers Insurance and Annuity Association of America, Boulder, Co., 1979.

Actual Freshmen Enrollment in Independent Colleges and Universities from NCES final reports and NIICU.

freshmen in independent colleges and universities between fall 1977 and fall 1987. The percentage change from year to year is also shown.

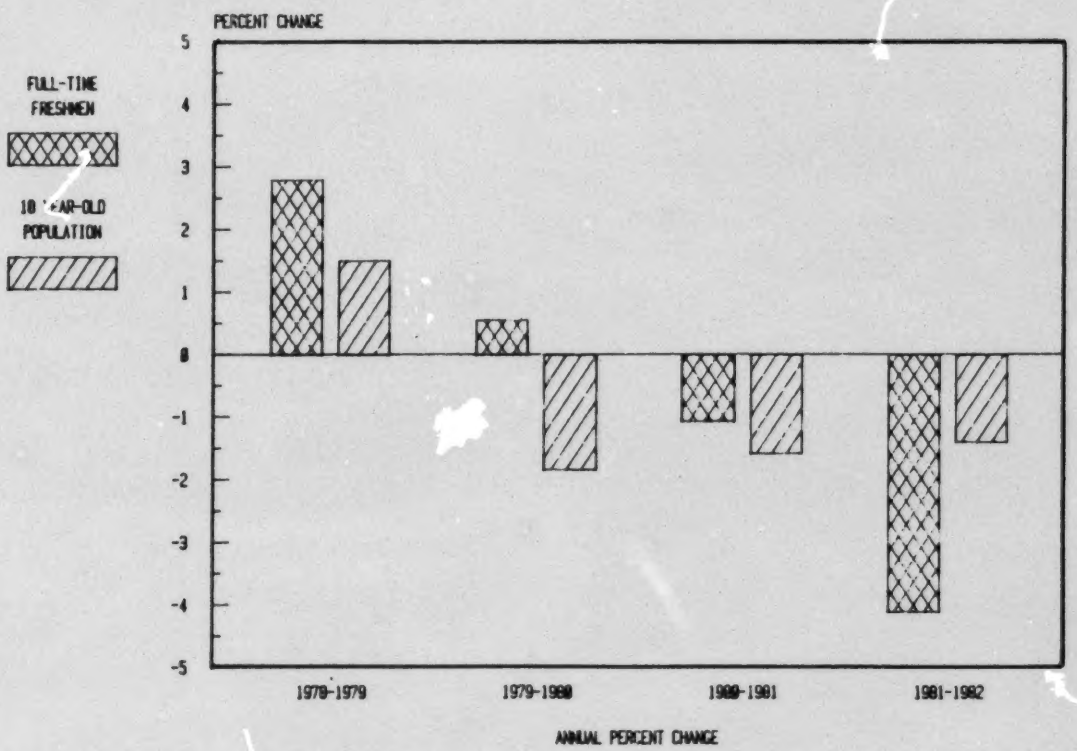
e number of eighteen-year-olds in the population had risen thro ghout the 1960s and early 1970s, but a fluctuation began between

1976 and 1980. The pattern of public high school graduates was similar. Declines in both measures were moderate (between 1 and 2 percent) in the falls of 1980, 1981, and 1982.

Between the fall of 1978 and the fall of 1981, the ratio of entering full-time freshmen to the population of eighteen-year-olds grew steadily from 9.83 in fall 1978 to 10.25 in fall 1981. The ratio of entering freshmen to the number of public high school graduates grew constantly over the same period, increasing from 14.65 to 15.48. The number of full-time entering freshmen was growing consistently more (or declining less) than either the population or the number of high school graduates. Figure 2 shows this phenomenon.

FIGURE 2

COMPARISON OF PERCENT CHANGES IN THE EIGHTEEN-YEAR-OLD POPULATION AND IN ENTERING FRESHMEN 1978 TO 1982



In the fall of 1982, all bets were off. There was a reversal in the ratio of entering freshmen to both the demographic data and to the number of high school graduates. The trends to "do better" than the demographic data would project were reversed. Using a straight demographic projection, the independent sector could have expected a loss of 5,944 entering full-time freshmen. From an examination of past trends, even more moderate losses would have been projected. Instead, the independent sector lost more than 17,000 entering freshmen.

Two conclusions become clear. First, the use of demography to project enrollments, while helpful, is clearly inadequate. Second, those factors in the environment which have an impact on enrollments in independent colleges must be identified, studied, and used to plan for the future changes.

In the fall of 1982, there were two easily identifiable external markers (factors in the environment) that had negative and profound consequences for colleges: general economic recession and cuts in federal student financial aid which disproportionately hurt low-income students attending (or desiring to attend) independent colleges. Unfortunately, these two factors converged to discriminate against the same groups of students -- those from low-income families, minorities, and first-generation college students.

Theory on demand for higher education has held that enrollments ought to increase in economically depressed times because the opportunity costs of being out of the job market and the resulting foregone earnings are diminished; therefore, the real cost of attending college is less. These new data show that, at least in the case of independent colleges, this theory no longer holds. Institutions in states with higher unemployment (a measure of economic depression) generally lost larger percentages of students. Table 4 compares changes in enrollment for states with below 8 percent unemployment, those between 8 and 11 percent, and those over 11 percent unemployment. In most enrollment categories, losses were most severe among colleges in states with highest unemployment. The relationship between unemployment and enrollment loss deserves further study and should be considered in a new light when projecting enrollment in independent colleges and universities.

The second external development that had even more profound effects on enrollments at independent colleges was the reduction in federal grant and loan programs and the perception that the current Administration will seek further, more severe cuts. In "Recent Trends in Financial Aid to Students Attending Independent Colleges and Universities," NIICU showed that the number of students receiving Pell Grants at independent colleges and universities dropped 9.9 percent between fall 1979 and fall 1981 and that the total Pell dollars dropped by 17.5 percent. Most notably, when adjusted for inflation, the drop in the buying power of Pell Grants at independent institutions declined by fully one-third in the two-year period.

TABLE 4

CHANGES IN ENROLLMENT CATEGORIES

BY UNEMPLOYMENT RATE

FALL 1981 TO FALL 1982

	AUGUST 1982 UNEMPLOYMENT			
	NATIONAL	UNDER 8%	8% to 11%	OVER 11%
Full-time, First-time Freshmen	-4.11%	-1.79%	-5.76%	-4.97%
Non-Freshmen Full-time Undergraduates	-0.31	-0.68	0.49	-2.01
All Full-time Undergraduates	-1.34	-0.99	-1.17	-2.83
Part-time Undergraduates	2.79	3.33	2.14	3.48
Undergraduate FTE (calculated)	-1.07	-0.69	-0.96	-2.43
All Undergraduates (headcount)	-0.62	-0.20	-0.60	-1.77
All First-professional Students (headcount)	0.77	1.93	0.49	0.29
All Graduate Students (headcount)	-0.72	-0.05	-0.95	-1.29
All Unclassified Students (headcount)	-4.21	1.03	-4.98	-7.92
TOTAL HEADCOUNT ENROLLMENT	-0.82	-0.06	-0.94	-2.01

Between the falls of 1979 and 1981, there was a resulting decline of 137,000 undergraduate aid recipients from families with incomes less than $18,000. All indications point to a continuing erosion of a student's ability to chose an independent college if the student comes from a low-income family.

Administration proposals to shrink or eliminate student financial aid programs, and the methods by which Congress has made reductions, disproportionately affect low-income students attending moderately or higher-priced institutions. Unfortunately the severity of the situation has received surprising little attention. As the pieces of evidence gather unanimity in their implication, it is clear that thousands of American youth are losing the opportunity to choose their most promising future.

A GLANCE AT THE FUTURE

The previous discussion has shown that there is no simple way to predict enrollment levels. Still, the pool of eighteen-year-olds in the population offers the best information from which to predict enrollment of entering freshmen. (Even though data on the number of public high school graduates are available, the high school graduate rate has not changed in recent years.)

Table 5 shows the percentage of eighteen-year-olds and the perentage of public high school graduates that entered independent colleges and universities. Both percentages rose continuously between 1978 and 1981 before reversing in 1982 to the 1979 level.

TABLE 5

MATRICULATION RATES AT INDEPENDENT COLLEGES AND UNIVERSITIES

1978 THROUGH 1982

Year	Percentage of 18-Year-Olds Matriculating	Percentage of Public High School Graduates Matriculating*
1978	9.83%	14.67%
1979	9.95	15.01
1980	10.20	15.39
1981	10.25	15.48
1982	9.97	15.02

SOURCE: Population, Age 18, from Charles J. Andersen, 1981-82 Fact Book for Academic Administrators, Washington, D.C: American Council on Education, 1981.

Public high school graduates from: High School Graduates: Projections for the Fifty States. The Western Interstate Commission for Higher Education, National Institute of Independent Colleges, and Teachers Insurance and Annuity Association of America, Boulder, Co., 1979.

Actual Freshmen Enrollment in Independent Colleges and Universities from NCES final reports and NIICU.

*This number is an estimate. In reality, a smaller percentage of public high school graduates attend independent institutions. The data on matriculation for independent colleges includes students who had also attended private and parochial secondary schools.

By examining the size of the birth cohort to reach eighteen years-old, several assumptions can be made to predict future enrollment patterns. Here we are using three alternative sets of assumptions to predict high, intermediate, and low estimates.

First, we entertain the notion that enrollments at independent colleges and universities could rebound, returning to a participation rate equal to the all-time high rate recorded in fall 1981. The high projection for enrollments of full-time entering freshmen is calculated by assuming this 10.25 percentage participation rate in 1983 and by further assuming an annual increase in the matriculation rate equal the growth experienced between 1978 and 1981. Table 6 shows these projections.

TABLE 6

PROJECTIONS OF ENROLLMENT

ENTERING FULL-TIME FRESHMEN

1983 TO 1987

	LOW PROJECTION		INTERMEDIATE PROJECTION		HIGH PROJECTION	
	No. of Freshmen	% Change	No. of Freshmen	% Change	No. of Freshmen	% Change
1983	379,557	-6.83%	390,525	-4.14%	401,493	-1.44%
1984	348,452	-8.20	369,189	-5.46	390,296	-2.79
1985	329,045	-5.57	359,319	-2.67	390,313	0.00
1986	311,609	-5.30	351,044	-2.36	391,535	0.31
1987	305,691	-1.90	355,630	1.31	406,996	3.95

Using these more optimistic assumptions, the independent sector could expect enrollment declines in the falls of 1983 and 1984 of 1.44 and 2.79 percent respectively, with the declines in the population several percentage points higher. Under these assumptions, the enrollments would stabilize later in the 1980s before falling again in the early 1990s.

More moderate assumptions would see independent colleges averting further declines and the participation rate remaining at 1982 level for the next decade. Therefore, enrollment in independent institutions directly reflects changes in the eighteen-year-old population. Under

this set of assumptions both the overall college-going rate and the portion of the students attending independent colleges and universities remain constant. The moderate projections presented in Table 6 are developed with the assumption that 9.97 percent of eighteen-year-olds will continue to enter independent institutions.

A more pessimistic projection is derived from assuming that the proportion of students attending independent colleges and universities would drop in future years at the rate experienced between the falls of 1981 and 1982. Under this assumption, enrollments in independent colleges and universities would drop by 6.83 percent in the fall of 1983 and the matriculation rate in independent colleges would drop by 0.28 percent per year through 1987.

These projections are based strictly on demographic changes and on projections of the proportion of the eighteen-year-old population attending independent insitutions. Clearly, there are other important intervening variables which can change, or be changed, to alter the current trends. The two important external markers discussed in the previous section -- the depressed economic environment and student aid reductions which disproportionally hurt students attending independent colleges -- could change.

Still, presidents of independent colleges and universities and policy makers whose actions affect all of higher education must be aware of the change in demographics and the impact of the decline in the eighteen-year-old population on higher education. Higher education must adjust to the demographic decline, and people of conscience must ensure that the decline is distributed among institutions more evenly so that students and society are served in an equitable manner.

APPENDICES

APPENDIX A

Definitions of Institutional Categories
Using the Carnegie Classification System

A. Research Universities: awarded at least 20 Ph.D.s or were among the leading 100 universities in terms of federal financial support for academic science for at least two years between 1972-1973 and 1974-1975.

B. Comprehensive Universities and Colleges: offer liberal arts and at least one professional program (many offer masters programs).

C. Liberal Arts Colleges I: selective in admissions and lead in terms of the number of their graduates who later receive Ph.D.s from selective doctorate-granting institutions; and

Liberal Arts Colleges II: all other liberal arts colleges.

D. Two-Year Colleges.

E. Specialized Institutions: Free-standing institutions offering degrees in Religion; Teachers Colleges, Medical Schools and Centers; and, specialized institutions and schools of Health Professions, Engineering and Technology, Business and Management, Art, Music and Design, and Law.

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* A Classification of Institutions of Higher Education, Revised Edition. Carnegie Council on Policy Studies in Higher Education (Berkeley: Carnegie Foundation for the Advancement of Teaching, 1976.)

APPENDIX B

NIICU Regions

Midwestern Region	-	Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Wisconsin
Mid-Atlantic Region	-	Delaware, District of Columbia, Maryland, New Jersey, North Carolina, Ohio, Pennsylvania, Virginia, West Virginia
Northeastern Region	-	Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, Vermont
Southern Region	-	Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas
Western Region	-	Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington

APPENDIX C

Findings By Region, Type, And Size

The following six tables summarize the findings by region of the country (Tables 7 and 8), type of institution (Tables 9 and 10), and size of institution (Tables 11 and 12) based on fall 1981 headcount enrollment. There are two tables for each broad category. The first table of each pair shows the average percentage change in each of ten classifications of enrollments; the second shows the percentage of institutions reporting declines exceeding 5 percent from fall 1981 to fall 1982, again for each of the 10 enrollment classifications.

For example, the first table, Table 7, shows average percentage changes by region of the country. The first column and first row show that the national average percentage change in full-time, first-time freshmen was 4.11 percent. The second column and first row show the Midwestern region did slightly worse than the national average, with a loss of 5.14 percent. The next table, Table 8, shows by region the percentage of instituions losing more than 5 percent of the students in each enrollment category. Column one, row one, shows that nationally, 49.65 percent of the institutions lost more than 5 percent of their full-time, first-time freshmen from fall 1981 to fall 1982. Column two, row one shows that 53.11 percent of institutions in the Midwestern region lost more than 5 percent of full-time, entering freshmen, slightly worse than the national average.

For policy makers in individual institutions, the comparisons to other groups of institutions can provide a framework for examining the situation of a particular college. For policy makers at one of the many campuses with an enrollment decline and a corresponding decline in revenues, there are two broad steps which may be helpful. The first is an examination of the assumptions made concerning the fall 1982 marketing/admissions program, such as demographics of the marketing area, the effects of unemployment, inflation, and federal aid uncertainties, and how these assumptions were communicated to the institution's strategic planners. The second broad area involves dealing with the decline in revenues associated with lower enrollments. If the enrollment decline is a temporary occurrence (one that can be reversed next fall), then a delay in some expenditures can be implemented without much harm. However, if the drop in enrollment indicates the beginning of a trend, more serious planning is required to lower expenditure levels. Delaying an expenditure will not solve the problem of adjusting the overall budget to a permanently lower level; the much more difficult requirement of planning for a total reduction in fixed expenditures is required.

More detailed comparisons of a single institution to a small group of other institutions (peer colleges, competing colleges, or colleges within a state) are available from NIICU. While data for individual institutions will not be released, comparisons which include at least five other colleges are available. Contact NIICU for further information.

TABLE 7

PERCENTAGE CHANGE IN KEY ENROLLMENT MEASURES

BY REGION -- FALL 1981 TO FALL 1982

	REGION					
	NATIONAL	MIDWESTERN	MID-ATLANTIC	NORTHEASTERN	SOUTH	WEST
Full-time, First-time Freshmen	-4.11%	-5.14%	-6.60%	-3.34%	-1.80%	-1.69%
Non-Freshmen Full-time Undergraduates	-0.31	-1.04	-0.98	0.54	0.20	-0.57
All Full-time Undergraduates	-1.34	-2.16	-2.55	-0.52	-0.35	-0.84
Part-time Undergraduates	2.79	3.63	2.96	2.44	2.48	2.68
Undergraduate FTE (calculated)	-1.07	-1.76	-2.21	-0.29	-0.21	-0.64
All Undergraduates (headcount)	-0.62	-1.10	-1.66	0.07	0.03	-0.30
All First-professional Students (headcount)	0.77	0.70	-0.43	1.55	0.56	1.97
All Graduate Students (headcount)	-0.72	1.35	-1.03	-1.54	-0.20	-0.66
All Unclassified Students (headcount)	-4.21	-3.43	-8.03	-3.30	2.71	-4.48
TOTAL HEADCOUNT ENROLLMENT	-0.82	-0.89	-2.02	-0.51	0.18	-0.41

TABLE 8

PERCENTAGE OF INSTITUTIONS REPORTING LOSSES EXCEEDING FIVE PERCENT

BY REGION -- FALL 1981 TO FALL 1982

	REGION					
	NATIONAL	MIDWEST	MID-ATLANTIC	NORTHEASTERN	SOUTH	WEST
Full-time, First-time Freshmen	49.65%	53.11%	52.97%	46.70%	48.06%	40.86%
Non-Freshmen Full-time Undergradutes	26.55	28.42	25.95	21.32	27.05	32.61
All Full-time Undergraduats	29.72	32.73	30.38	24.24	27.83	34.65
Part-time Undergraduates	31.90	29.14	32.49	29.30	34.60	37.62
Undergraduate FTE (calculated)	28.07	29.50	28.70	23.24	27.83	32.67
All Undergraduates (headcount)	26.50	25.45	27.31	22.61	27.70	32.67
All First-professional Students (headcount)	18.26	18.75	19.57	8.57	23.91	17.95
All Graduate Students (headcount)	34.02	32.45	35.13	28.97	34.17	41.89
All Unclassified Students (headcount)	40.86	46.41	37.58	40.44	34.97	44.57
TOTAL HEADCOUNT ENROLLMENT	25.41	25.31	26.62	22.58	24.79	29.27

TABLE 9

PERCENTAGE CHANGE IN KEY ENROLLMENT MEASURES BY TYPE OF INSTITUTION -- FALL 1981 TO FALL 1982

	NATIONAL	TYPE: UNIVERSITIES	COMP COLLEGES	LIBERAL ARTS I	LIBERAL ARTS II	TWO-YEAR	SPECIALIZED
Full-time, First-time Freshmen	-4.11	-2.77	-6.68	-2.66	-5.82	-0.65	1.54
Non-Freshmen Full-time Undergraduates	-0.31	-0.27	-0.13	-1.12	0.68	-0.76	-0.89
All Full-time Undergraduates	-1.34	-0.87	-1.81	1.54	-2.11	-0.70	1.07
Part-time Undergraduates	2.79	3.15	0.15	3.74	5.03	8.50	3.76
Undergraduate FTE (calculated)	-1.07	-0.65	-1.66	-1.41	-1.65	0.13	1.32
All Undergraduates (headcount)	-0.62	-0.28	-1.43	-1.16	-0.87	1.42	1.69
All First-professional Students (headcount)	0.77	-0.31	1.85	-0.43	1.72	N/A	1.45
All Graduate Students (headcount)	-0.72	-1.50	-1.64	7.72	4.33	N/A	2.26
All Unclassified Students (headcount)	-4.21	-9.02	-3.62	-0.75	2.39	10.60	-2.81
TOTAL HEADCOUNT ENROLLMENT	-0.82	-1.43	-1.51	-0.93	-0.30	1.75	1.42

TABLE 10

PERCENTAGE OF INSTITUTIONS REPORTING LOSSES EXCEEDING FIVE PERCENT BY TYPE OF INSTITUTION -- FALL 1981 TO FALL 1982

	NATIONAL	TYPE: UNIVERSITIES	COMP COLLEGES	LIBERAL ARTS I	LIBERAL ARTS II	TWO-YEAR	SPECIALIZED
Full-time, First-time Freshmen	49.65%	28.30%	57.67%	40.91%	56.60%	38.06%	46.71%
Non-Freshmen Full-time Undergraduates	26.55	7.55	29.00	19.27	28.82	35.81	34.44
All Full-time Undergraduates	29.72	7.41	29.36	21.81	35.05	30.88	30.63
Part-time Undergraduates	31.90	25.92	35.32	32.73	33.62	24.27	31.45
Undergraduate FTE (calculated)	28.07	5.55	27.98	20.00	31.32	30.89	31.88
All Undergraduates (headcount)	26.50	5.46	25.35	23.42	31.14	26.48	27.33
All First-professional Students (headcount)	18.26	9.76	10.64	42.86	23.07	N/A	22.32
All Graduate Students (headcount)	34.02	18.18	38.51	36.12	36.78	N/A	33.19
All Unclassified Students (headcount)	40.86	57.19	39.87	41.77	39.00	36.51	41.82
TOTAL HEADCOUNT ENROLLMENT	25.41	8.93	25.23	21.62	28.04	26.47	26.54

TABLE 11

PERCENTAGE CHANGE IN KEY ENROLLMENT MEASURES BY SIZE OF INSTITUTION -- FALL 1981 TO FALL 1982

	FALL 1981 TOTAL ENROLLMENT						
	NATIONAL	UNDER 500	500-999	1000-1499	1500-2499	2500-4999	OVER 5000
Full-time, First-time Freshmen	-4.11%	1.94%	-6.34%	-6.84%	-5.90%	0.01%	-4.38%
Non-Freshmen Full-time Undergraduates	-0.31	-2.14	-1.39	-0.04	-1.45	0.13	0.38
All Full-time Undergraduates	-1.34	-0.53	-2.96	-2.00	-2.67	0.10	-0.77
Part-time Undergraduates	2.79	19.00	4.89	3.46	0.45	3.58	1.35
Undergraduate FTE (calculated)	-1.07	0.55	-2.53	-1.68	-2.50	0.35	-0.61
All Undergraduates (headcount)	-0.62	2.37	-1.80	-1.14	-2.21	0.76	-0.36
All First-professional Students (headcount)	0.77	2.58	0.71	2.42	0.22	1.93	0.01
All Graduate Students (headcount)	-0.72	0.00	-1.19	1.56	5.76	-1.30	-1.35
All Unclassified Students (headcount)	-4.21	10.05	4.31	-0.72	0.37	-3.83	-7.65
TOTAL HEADCOUNT ENROLLMENT	-0.82	2.56	-1.28	-0.83	-1.48	0.27	-1.24

TABLE 12

PERCENTAGE OF INSTITUTIONS REPORTING LOSSES EXCEEDING FIVE PERCENT BY SIZE OF INSTITUTION -- FALL 1981 TO FALL 1982

	FALL 1981 TOTAL ENROLLMENT						
	NATIONAL	UNDER 500	500-999	1000-1499	1500-2499	2500-4999	OVER 5000
Full-time, First-time Freshmen	49.65%	45.00%	57.32%	56.25%	50.00%	35.96%	43.82%
Non-Freshmen Full-time Undergraduates	26.55	38.36	31.14	24.7[illegible]	21.25	17.55	8.98
All Full-time Undergraduates	29.72	35.53	37.24	29.83	26.38	18.11	15.39
Part-time Undergraduates	31.90	31.58	34.56	32.59	33.74	29.31	24.18
Undergraduate FTE (calculated)	28.07	35.53	35.62	26.52	23.93	17.25	13.19
All Undergraduates (headcount)	26.50	30.70	33.60	29.84	22.69	16.38	9.79
All First-professional Students (headcount)	18.26	25.00	21.88	23.53	7.69	14.28	8.93
All Graduate Students (headcount)	34.02	36.74	41.07	32.31	32.53	41.49	21.35
All Unclassified Students (headcount)	40.86	39.37	41.48	43.80	34.26	41.47	47.82
TOTAL HEADCOUNT ENROLLMENT	25.41	29.02	31.27	26.18	23.81	13.67	11.83